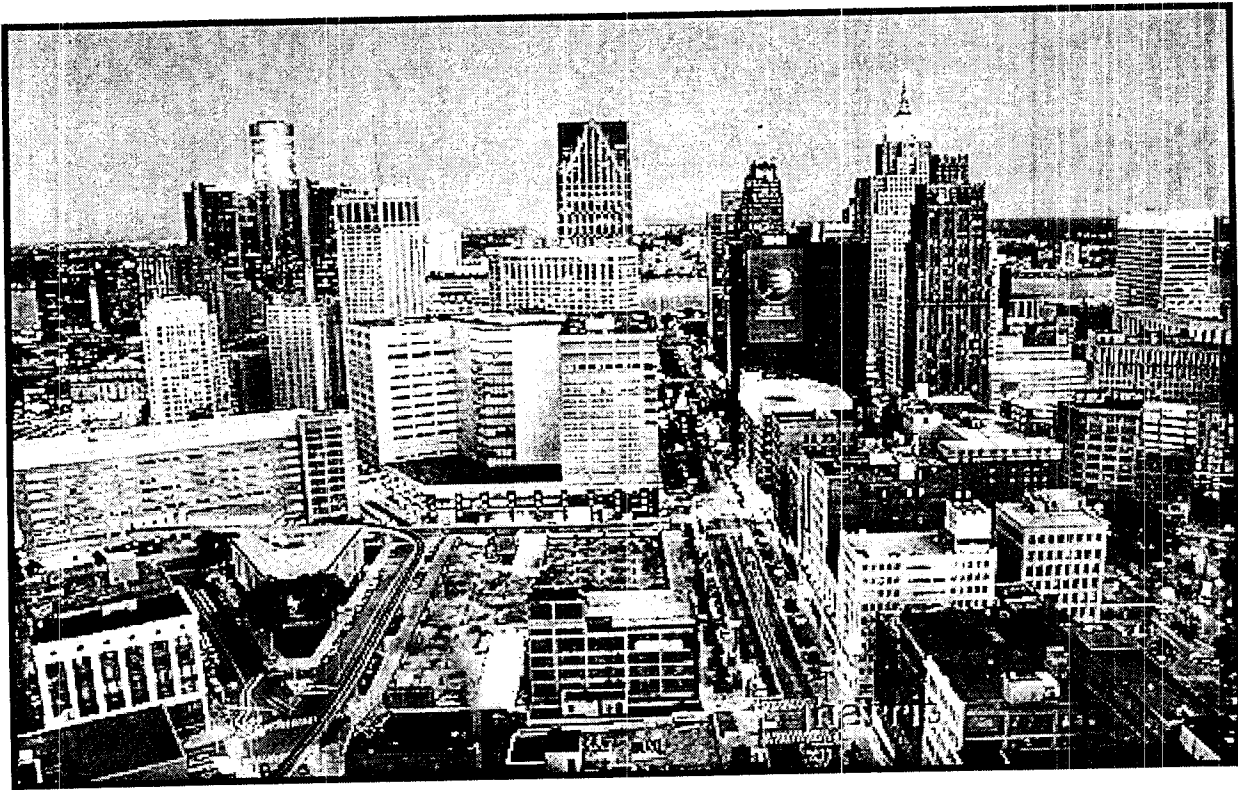


EXHIBIT 2

City of Detroit
Kenneth V. Cockrel, Jr. Mayor

Planning and Development Department
Neighborhood Stabilization Program Plan



Douglass J. Diggs, Director
Marja M. Winters, Deputy Director

City of Detroit NSP rev 01/09

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- Invest in select neighborhoods to achieve greater impact with limited resources especially neighborhoods targeted by LISC, Skillman, the Community Foundation and NDNI
- Protect recent investments by public and private partners
- Attract other public/private financing to leverage NSP funds minimally on a 2:1 basis
- Create new jobs and stimulate small business development
- Demolish existing structures to accommodate future development or alternative uses.

Foreclosure Problem

As evidenced by Detroit's NSP award amount, which was allocated under a formula developed by the Department of Housing and Urban Development taking into account the numbers of foreclosures, subprime loans and defaults in each jurisdiction, Detroit has the highest home foreclosure rate among the nation's 100 largest metropolitan areas, making it one of the cities hardest hit by the national foreclosure and sub-prime lending crisis. The impact of not dealing aggressively with this crisis would have tremendous implications for the economic survival and social viability of the city. Moreover, the toll on Detroit citizens and families will be devastating as once stable neighborhoods are faced with increased blight, vacant properties and diminished housing values. Thus, it is imperative that we strategically focus our resources to achieve the greatest outcomes and thwart further decline.

Statistics on local foreclosure activity speak volumes about the crisis in Detroit. From 2004 to 2006, there were approximately 330,000 mortgages originated in Detroit. During the same time, 38,000 new mortgages were sold representing 11% of total mortgages. About 27,500 or 73% of new mortgages were high cost loans defined as loans with interest rates at least 3% above Treasury securities. Refinances accounted for 15% of new mortgage loans. As of 2006, about 29,000 adjustable rate mortgages or 9% of all existing mortgages reset, triggering higher payments for loan recipients. An additional 16,000 mortgages are scheduled to reset from 2008 to 2010. These statistics clearly demonstrate that additional resources will be needed to prevent future foreclosures and the number of Detroit homeowners that are expected to be impacted by the nearing reset activity.

The result of the exorbitant numbers of high cost loans in Detroit is disturbing. From 2005 to 2007, Detroit experienced an astounding 67,000 foreclosures, more than 20% of all household mortgages. There were 4,600 tax foreclosures in the first six months of 2008 with over \$25 million in taxes due on these properties. Early estimates indicate that at least two-thirds of tax or mortgage foreclosed properties stand vacant causing tremendous problems for Detroit on many levels.

A foreclosed property that stays on the market for an extended period of time can become an administrative and economic drain on a city; a study by the Homeownership Preservation Foundation found that a city can lose about \$20,000 per home in lost property taxes, unpaid utility bills, property upkeep, sewage and maintenance. High foreclosure rates also causes disinvestment by nearby residents, which contributes to neighborhood decline, affects surrounding property values, and leads to population loss and increased crime.

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